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UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

Case No. 08-13555-jmp

Adv. Case No. 08-01420-jmp (SIPA)

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In the Matter of:

LEHMAN BROTHERS HOLDINGS INC., et al.,

Debtors.

- - - - -x

In the Matter of:

LEHMAN BROTHERS INC.,

Debtor.

- - - - -x

U.S. Bankruptcy Court

One Bowling Green

New York, New York

August 19, 2010

9:59 AM

B E F O R E:

HON. JAMES M. PECK

U.S. BANKRUPTCY JUDGE

Hearing re: Trustee's Motion to Uphold Determinations as to
Claims (I) Based on No Relationship with LBI, (II) For Accounts
Empty as of the Filing Date, and (III) For Accounts Previously
Transferred In Accordance with SIPA and the Account Transfer
Order and Expunging Related Objections Thereto

Transcribed By: Hana Copperman

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A P P E A R A N C E S:

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BY: KENNETH J. CAPUTO, ESQ.

P R O C E E D I N G S

THE COURT: Be seated, please. Good morning.

MR. WILTENBURG: Good morning, Your Honor. David

Wiltenburg, Hughes Hubbard & Reed, on behalf of James Giddens as SIPA trustee at LBI. Today's calendar was going to include two items until yesterday, and it happened with respect to the item that had to do with foreign exchange forward contracts, that the last of the affected claim objections was withdrawn, so, as indicated on this morning's calendar, that matter is resolved and those claims have been reclassified to general creditor claims and they'll appear -- they do appear on the omnibus notice of claims withdrawn.

That leaves the trustee's motion to uphold determinations in certain categories where no debt was owed to LBI, and that matter will be presented by Ms. Meaghan Gragg of our office, and I believe that Mr. Caputo from SIPC may have a comment on that as well.

MS. GRAGG: Good morning, Your Honor. Meaghan Gragg of Hughes Hubbard & Reed for the SIPA trustee. The only matter remaining is the motion to uphold certain claims on grounds that the LBI estate owed no obligation to the claimants. Each of the claims, subject to the trustee's motion, falls into one of three different categories, which are non-LBI claims, where the claim is based on a relationship with an entity other than LBI and no securities or cash was held by LBI or entrusted to

1 LBI, empty account claims, where the claim was made by a
2 customer of LBI but there was no cash or securities held in the
3 account as of the filing date, and customer account transfer
4 claims, where the claim was made by a customer of LBI but the
5 claim is for an account that was transferred to Barclays
6 Capital or Neuberger Berman, pursuant to the account transfer
7 process approved by the Court in December of 2009.

8 As background, in several hundred cases the trustee
9 has denied claims that fall into these three categories. 179
10 objections have been filed to these denials. Approximately 67
11 of these objections have been withdrawn to date, following
12 communications between the trustee's staff and objecting
13 claimants. Additional objections in this group have been
14 resolved by the Court's prior orders. Today's motion is part
15 of the process of resolving the remaining objections.

16 Details regarding the claims and accounts are
17 contained in the motion's exhibits. A representative of
18 Deloitte is here today if the Court has any questions regarding
19 the underlying claims.

20 THE COURT: I don't have any questions, but if there's
21 anything more you wish to put on the record you're free to do
22 that.

23 MS. GRAGG: SIPC agrees with the motion.

24 MR. CAPUTO: We do, Your Honor. I don't really have
25 any additional comments. We think this is pretty

1 straightforward.

2 THE COURT: Fine.

3 MS. GRAGG: No responses have been filed. Two of the
4 objecting claimants have agreed to withdraw their objections,
5 so on that basis, unless there are any questions, we --

6 THE COURT: It's unopposed and not controversial, and
7 it's approved.

8 MS. GRAGG: Thanks. We filed and will provide copies
9 to your law clerk of a revised proposed order that reflects the
10 relief requested.

11 THE COURT: Okay. And, Mr. Caputo, did you have
12 anything more you wanted to go through?

13 THE COURT: I don't, Your Honor. Thank you. I think
14 this is a straightforward motion, and for the reasons stated by
15 the trustee's counsel we concur.

16 THE COURT: Fine. Is there anything more for today?

17 MR. WILTENBURG: No, Your Honor.

18 MR. CAPUTO: No, it became a much easier day than we
19 had first anticipated.

20 THE COURT: Fine. Then we can all go home. We're
21 adjourned.

22 (Proceedings concluded at 10:03 AM)

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I N D E X

RULINGS

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| Granting of Motion to | 6 | 7 |
| Uphold Determinations of | | |
| Certain Claims | | |

C E R T I F I C A T I O N

I, Hana Copperman, certify that the foregoing transcript is a
true and accurate record of the proceedings.

Hana Copperman

AAERT Certified Electronic Transcriber (CET**D-487)

Veritext

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Date: August 20, 2010